Advance loan for higher education

† 3884. SHRI RAJIV RANJAN SINGH *LALAN*:
SHRI RAM JETHMALANI:

Will the Minister of HUMAN RESOURCE DEVELOPMENT be pleased to state:

(a) whether Government have formulated a new policy by modifying the old one, with a view to advance loans for higher education;

(b) if so, the details of modifications effected under the new policy; and

(c) what are the reasons for making such modifications?

THE MINISTER OF HUMAN RESOURCE DEVELOPMENT (DR. MURLI MANOHAR JOSHI): (a) to (c) Based on the Finance Minister's Budget speech, the Government in consultation with Reserve Bank of India and Indian Banks Association has framed a comprehensive educational loan scheme to ensure that no deserving student in the country is deprived of higher and technical education for want of finances. The new scheme will cover all types of courses in schools and colleges in India and abroad. The banks are being advised through RBI to introduce the scheme at the earliest to ensure that the students may avail of the loans from the coming academic session itself. As announced in the Budget Speech for the year 2001-2002, the terms and conditions and other features of the proposed comprehensive educational loan scheme envisages providing loans up to Rs. 7.5 lakhs for studies in India and Rs. 15 lakhs for studies abroad. No collateral or margin will be stipulated for loans up to Rs. 4 lakhs and the interest rate will not exceed <the Prime Lending Rate (PLR). For loans above Rs. 4 lakhs, the interest will not exceed PLR plus 1 per cent. The loans are to be repaid over a period of 5 to 7 years with provision of grace period.

† Original notice of the question was received in Hindi.